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DATE 3/26/58

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HOW RECEIVED	ENCLOSURE	SHIPPED VIA			DEPT.
mail MJW:pf	$	PARCEL POST			3

CAT. NO.	ITEM		PRICE	
March list				
70		Wright. The American negotiator....London, 1765.	7	50
193		[Broadside.] To the Inhabitants of Massachusetts-Bay. [Boston, 1777.]	17	50
			25	00
		Delivery		64
			25	64

TS 4/4/58

RECEIPTED BILL WILL BE RETURNED UPON REQUEST

To the Inhabitants of the STATE of MASSACHUSETTS-BAY.

FRIENDS and FELLOW COUNTRYMEN!

IT is with concern and attention that the Houſe of Repreſentatives find that an act, intitled an act for drawing in the bills of credit of the ſeveral denominations, &c. paſſed the laſt Seſſion, has given uneaſineſs to any of the good people of this State: A number of towns have preſented their petitions ſtating ſuch grievances, as they apprehend will ariſe from the execution of that act, and pray relief;

THE knowledge which the good people have of the diſpoſition of their Repreſentatives, muſt induce them to believe (what moſt of the petitions expreſs) that the legiſlative body in paſſing that law, and in all their conduct, have it ſincerely in view to promote the welfare of this State, by thoſe meaſures which upon full adviſement and conſideration of all circumſtances, and exigencies, appear beſt adapted for that eſſential purpoſe; and in purſuance of that diſpoſition, the Houſe of Repreſentatives have proceeded to a conſideration of the ſubſtantial parts of the petitions, and to explain to their conſtituents, the reaſons upon which the ſaid act was enacted.

IT is well known, that the preſent neceſſary and expenſive war in which we are involved, for the preſervation of every thing valuable, was firſt enkindled in this State, and in ſo ſudden a manner, that without magazines or finances, we were obliged inſtantly to raiſe, pay, and ſupport a large army by our own efforts, before the American Congreſs could take meaſures to relieve us; this occaſioned the emiſſion of large and repeated quantities of bills of credit; the unſettled ſtate of Government, and the diſinclination of many of the inhabitants to call in any of the bills of credit, or prevent the emiſſion of more by taxation, reduced the legiſlative body to this alternative, either to ſuffer our liberties to be deſtroyed for want of defence, or elſe to continue the emiſſion of paper bills to the depreciation of what was then current; the ſame ſituation of Government, and diſinclination for taxation taking place alſo in the other States, occaſioned large and repeated emiſſions of bills of credit from them, which obtained a general circulation among us; from all this it is obvious, that the American Congreſs being the collected power and will of the United States, could do no otherwiſe, than repeat their emiſſions of Continental currency, as the general good of the whole required, expecting when the Governments of the ſeveral States ſhould be ſo eſtabliſhed, as that taxation ſhould relieve us from the great evil of repeated emiſſions of paper currency: It is alſo notorious, that numbers of our enemies have counterfeited large quantities of the paper currency of this and the neighbouring States, and that by means of all this, the quantity of circulating paper medium, has long ſince encreaſed vaſtly beyond all pretenſions of uſefulneſs, and manifeſtly to the enhancing the demand of all commodities to an extravagant price: This alarming ſituation of our currency and commerce, induced the General Aſſembly of laſt year, to meet by their Delegates in Convention, the neighbouring States at *Providence*, and on their report, the monopoly bill (ſo called) was enacted, but being unaccompanied with taxation, loaning, or any other method of reducing the overgrown quantities of paper currency, it failed of anſwering the valuable purpoſes for which it was deſigned; the ſuppreſſing the prices of commodities, at a time when the quantity of currency was vaſtly too great and ſtill encreaſing, inevitably threw the bulk of the money out of circulation and uſe, and of courſe inclined the holders of ſuch uſeleſs quantities of money, to give a much larger price for commodities than the monopoly bill allowed; and when the buyer is willing, what can reſtrain the ſeller? This growing evil not being redreſſed by the monopoly bill, the preſent General Court in their firſt Seſſion, appointed a committee to meet in Convention at *Springfield*, the committees of the five northern States, to confer upon the beſt method of redreſſing theſe evils; the amount of whoſe report was, that the only method from which we could reaſonably expect relief was, reducing the quantity of currency, by loaning, taxation and non-emiſſion of bills of credit: Your Repreſentatives therefore, taking into conſideration the amount of the paper currency of this State, the quantity of it that is counterfeited, the difficulties that ariſe from the numerous ſorts of

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it, of knowing the good from the bad; the great advantages of having but one ſpecies of currency, viz. the Continental; the exceeding quantities of that ſort which will remain when all the States money is deſtroyed; found themſelves under a neceſſity of ſtopping the currency of the bills of any ſingle State, and calling in thoſe of our own in the ſpeedieſt manner. Your Repreſentatives being deſirous to give full ſatisfaction to their conſtituents, upon the ſubject of their Petition, think it the readieſt way to ſtate the objections contained in the whole of them, and to obviate the ſeeming grievances.

One prevailing objection againſt the act is, "*that the loaning the State's money will diſtreſs us, by the encreaſing debt ariſing from the intereſt of the ſame.*" That the intereſt of a ſum added to the principle, makes a larger ſum than the principle is certain, but that the debt will be encreaſed thereby in certain caſes, will not appear upon explanation; for by loaning thoſe bills, the circulating quantity is leſſened; this has a natural tendency to prevent the high prices, which ariſe from a ſurpluſage of money, and this in a ſhort time will amount to a ſaving of more than the whole principle, the reducing the quantity of currency, is certainly the regular method of curing the evils, which ariſe from ſuch undue quantity; when therefore, ſuch evils appear, the regular remedy ſhould be applied in the ſpeedieſt manner, i. e. the States money being particularly inſtrumental of producing thoſe evils, muſt be ſunk as ſpeedily as poſſible; that it ſhould be ſunk by loan, rather than by taxation will further appear, by conſidering that the expences of the war are ſtill preſſing us, that they are unavoidably encreaſing by the encreaſed price of all neceſſaries, and therefore that the treaſury muſt be ſupplied with larger ſums; this can only be done, either by emiſſion of more bills of credit, by taxation or borrowing on loan; of the firſt, too much has been done already; for a calculation between the advanced prices of goods, and the intereſt of money, muſt ſatisfy every unprejudiced perſon, that had we been able to have hired the money neceſſary for our expenditures, inſtead of making new emiſſions, above half the expences would have been ſaved, i. e. eight times the intereſt the emiſſion of more bills will render of leſs value what is already current, i. e. will raiſe the price of all neceſſary articles, and by that means encreaſe our expences, to a much greater amount than the intereſt of ſuch a ſum of money as, if borrowed, would have prevented the neceſſity of ſuch emiſſions.

Taxation and borrowing on loan, only remain as methods to ſupply the treaſury; the exigencies of affairs, forbid the riſquing the ſlow, uncertain method of ſupplying the treaſury wholly by borrowing, and made it neceſſary that all the money that could be raiſed by taxation, ſhould be paid into the treaſury in Continental money for the ſupport of the war, and of courſe no other method was left of ſinking the States money than that preſcribed in the act, of drawing it in by loan: Had the States money been called in by taxation, it would have coſt all the tax that could conveniently be raiſed for the year 1777, and then there would have been no method left of ſupplying the treaſury, but borrowing Continental bills on intereſt; and with regard to the increaſe of debt, as is objected, there is no odds upon the loan of what money the intereſt is paid, whether States bills or Continental: Whence it appears, that your Repreſentatives were reduced to the choice of the following caſes; either to call in the States money by taxation, and then pay it out again for current charges, after it was known to be ſo counterfeited as to deceive the good people; or to call it in by tax and deſtroy it, and then endeavour to ſupply the treaſury by borrowing on loan, or by making more emiſſions of money, or elſe to ſink the State bills by loan, as preſcribed in the act, and appropriate the tax to the ſupply of the treaſury, the latter was adopted, as being the moſt beneficial of either.

But it is ſaid "*that this method will throw the intereſt money into the hands of evily diſpoſed monopolizers who have occaſioned the depreciation of our currency.*" Whether thoſe perſons called monopolizers, have not undervalued the money, and whether the great ſurpluſage of money has not occaſioned the monopolizing of commodities, are queſtions eaſily determined, and whether the receiving intereſt for States money, will benefit ſuch perſons more than receiving intereſt for Continental money in the Continental loan office, where draughts for ſilver money in France is paid for intereſt, and whether it is poſſible to carry on this neceſſary war, without borrowing large ſums over and above all our taxation, and whether the taking the money of particular perſons into our funds, will not engage the abilities of ſuch perſons to the American intereſt, and whether we can poſſibly puniſh thoſe unworthy perſons by ſuffering the currency to grow uſeleſs in their hands, without diſtreſſing the worthy part of the community; and whether the taxing ſuch perſons in proportion to their intereſt, will not reduce their newly acquired property to public benefit, are queſtions worthy of conſideration.

It is ſaid, "*that the time for executing the act is too ſhort, and that diſtreſs will be occaſioned thereby*", but it will be conſidered, that the circumſtances of our affairs required a ſpeedy remedy, and the depreciation of our money was in ſome meaſure owing to an apprehenſion that it would not

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be called in by taxation, loaning or otherwiſe, and much greater evils muſt have ariſen to the credit of our State bills, by protracting the currency of them, than can ariſe by the ſuddenneſs of the change, for in addition to what has been ſaid, vaſt quantities of counterfeited bills have been prevented getting into circulation thereby: It is alſo objected, "*that the method of loaning, preſcribed in the act, will not anſwer the purpoſe of putting the money out of circulation, tho' we pay intereſt for it*", but doth not the experience of thoſe notes now on intereſt prove the contrary, the continual increaſing value, prevents their paſſing as a currency, unleſs in caſes of great occaſion, and then Bonds, Mortgages and Ships, yea Houſes and Lands may be transferred.

We think ourſelves obliged to take notice of an objection, which tho' variouſly expreſſed, in ſubſtance is this. "*that the firſt act is cruel and unjuſt, in that it promiſes to pay in gold and ſilver, the promiſe made on the face of the bill*". The objectors are deſired to conſider whether if the act had been, that every man who was poſſeſſed of States money, ſhould bring it to the treaſurer, and for it receive the amount in ſilver and gold, would this be a violation of public faith, and contrary to the promiſe made on the face of the bill? Can it be ſaid, that the money ſo received at the treaſury would be received in payment? It inſtead of paying ſilver and gold, it ſhould be paid for in Continental money, or a new emiſſion of money, would it be a violation of public faith, &c.? why then is redeeming them by large notes on intereſt eſpecially a violation, &c.? To this it may be anſwered, "*becauſe they will not paſs in common pay, or at the treaſury, and a man is forced to loſe his money whether he will or not*"; is not this ſtraining the objection from the letter to the ſpirit? Should the General Aſſembly ſhould take no meaſures to reduce the quantity of paper currency, and its value, would it not be a violation of public faith and public truſt? Suppoſe they had not taken to reduce the quantity by drawing in the States money by taxes, and then had not been able to ſupply the treaſury for neceſſary defence, would this be a violation of public faith, cruel, oppreſſive, &c. Is here not real deception in the objection? Is not the faith and public truſt, put in oppoſition to a ſuppoſed violation of a promiſe in the face of the bill? Doth not the whole force of this objection ariſe from the objectors not being willing to loſe their money for public uſe? If the good intention and effect of the act would duly ſupported by the ſpirit of Patriotiſm, would there be any complaining of being forced to loſe a little for the common good? Is it not been the univerſal ſentiment ſince the war began, that the next Feb. and the next pay what we are not able to? How can that be done without loaning, the laſt? Do any think we ſhall have ſo many paper money, and ſo little to ſpare from it? Is it not certainly known, that paper money can't be made beyond a certain quantity, equal to the articles that are uſually bought and ſold, and beyond that, only the nominal ſum is encreaſed, and not the value, compared with things to be bought, and that this is the caſe with gold and ſilver, as well as paper currency. But it is ſaid, "*that the great plenty of paper money, renders it more eaſy to redeem the States money by tax now, than it will be hereafter when money is ſcarce*". This is an undoubted reaſon why we ſhould collect as much money by tax as we can bear, and if the current expences will admit, that any of the notes on intereſt, ſhould be redeemed it ſhould be done, but whoever conſiders the unavoidable expence of the preſent war, including our ſhare of the continental expence, will hardly ſuppoſe our taxes will be equal to it. It is not much to be wondered, that the good people of this State ſhould differ in their ſentiments reſpecting the beſt methods of remedying the evils we all complain of, as the ſyſtem of money matters and commerce in their nature, are intricate and abſtruce, and perhaps not generally underſtood.

It is with pleaſure we obſerve, *that* jealouſy for liberty which has occaſioned theſe objections, yet we ſhould cautiouſly guard againſt the ſubtil deſigns of our internal enemies, who omit no opportunity of fomenting diviſions and jealouſies, by which only they can hope to ſubdue us; and we ſhould well conſider, whether there are more evils and inconveniencies ariſing from the act complained of, than always attend thoſe great operations which are neceſſary for public ſafety.

Your Repreſentatives are equally concerned in the matter with yourſelves, and cannot poſſibly lay a burthen on the community, in which they do not partake in proportion to their property, as ſettled by the preſent tax bill: The only objection that remains to be obviated is, "*that there unavoidably will be ſmall ſums remaining in the hands of poor people, who may not be able to change it with their rich neighbours, and that without ſome proviſion, they will be in danger of looſing it*". At the making the law it was thought, that the more ſubſtantial part of the inhabitants would have been ſo apprehenſive of the neceſſity and uſefulneſs of the act, as to have exerted themſelves to carry it into execution, and have relieved others, by exchanging ſuch ſmall ſums for them: And in order to give opportunity for this, the Court have by an act lengthened the time for collecting in the money.

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Upon the whole, the good effects of this regulation ſo much complained of, are already obvious in many reſpects, and nothing ſeems wanting but perſeverance to reap the real benefit of it.

It would have been more deſireable to your Repreſentatives, to have called in the States money by taxation, if the circumſtances of the State would admit, but the neceſſity we ſhall be under of raiſing a ſum of money to ſupply the Continental treaſury, in compliance with a requiſition of Congreſs, received ſince your petitions were under conſideration (as will appear by the Reſolve of Congreſs tranſmitted you) render it quite impracticable, and would give as much uneaſineſs to ſome towns, as ſatisfaction to others; but that no town may think that due attention has not been given to their petitions, the Court have paſſed an act, enabling ſuch towns as think they can afford to raiſe a ſtill larger tax, to raiſe money and put it on loan, for the purpoſes in the act mentioned: Whilſt your Repreſentatives are labouring to conduct your common concerns by the ſafeſt rules, and moſt beneficial methods; they truſt their conſtituents will not embarraſs their meaſures, by miſapprehenſions and diſtruſt, but afford them that confidence and ſupport, without which the beſt adminiſtration muſt fail of ſucceſs.

State of *Maſſachuſetts-Bay.*

In the Houſe of Representatives December 15, 1777.

Ordered, That Mr. Paine, Mr. Greenough and Mr. Phillips, be a Committee to correct the Addreſs reported to be ſent to the Inhabitants of this State, ſetting forth the reaſon which induced the Houſe to paſs an Act for calling in the Bills of Credit emitted by this Government, and obviating the objections that have been made to it; and that Mr. Scott cauſe the ſame, when prepared by ſaid Committee, to be printed in hand bills, one of which to be ſent to the Selectmen of each town in this State to be communicated.

Extract from the Minutes,

Atteſt.

Samuel Freeman, Clerk.